Crowdsourcing:

What It Is, How It Works, and Its Implications for Corporate America











Crowdfunding









Crowdcreation









Crowdwisdom



THE WISDOM OF CROWDS

JAMES SUROWIECKI

NAME A NEW ACCOUNTS BY THE ACTION





Average of 800 guesses: 1,1,97 lbs. Actual Weight of the ox: 1,198 lbs.



Crowdwisdom





WIKIPEDIA The Free Encyclopedia





American Idol

Crowdvoting





Gen-Z

Millennials



Gen-Z

- •The largest segment of the population (32%)
- •Between 7-22 years old (>1996)
- Social Media Natives



Millennials

- •Second largest segment of population (31.5%)
- Between 23-39 years old
- Digital Natives



Social Media and Digital Natives

Customer Reviews

4.8 out of 5 stars =

5 star	87%
4 star	10%
3 star	3%
2 star	0%
1 star	0%

See all 38 customer reviews >

Share your thoughts with other customers

Write a customer review



Bryan R. New York, NY Elite '14 115 friends 295 reviews * * * * * * 9/2/2014

What a great place for a random night.

I stumbled upon this place on Yelp one night when I was out alone on a work trip to SF. I stopped in for a drink and stayed for a few hours. I love the charm of this place and the welcoming nature. The bar kind of naturally selects for people willing to have a conversation with the person next to them. Also, there's a great burger place nearby that you can go and bring food back from (grab a burger for the bartender too).

Tripadvisor*

Know better. Book better. Go better.

The Grand Budapest Hotel

TripAdvisor Traveler Rating Based on 350 traveler reviews

TripAdvisor Ranking #1 of 1 hotels in The Republic of Zubrowka

Most Recent Traveler Reviews Jan 19, 2018: "Pure bliss!" Jan 15, 2018: "Unforgettable" Jan 15, 2018: "Dinner" Jan 15, 2018: "its like to be in a movie" Jan 15, 2018: "Wondeful Family Place to enjoy" Read reviews | Write a review

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POTENTIAL CLAIMS BASED ON CROWDSOURCING

- Defamation / Disparagement / False Light
- Intellectual Property (Copyright, Trademark)
- •Fraud / Deceptive Trade Practices



COMMON DEFENSES FOR CROWDSOURCING PLATFORMS

- <u>Section 230</u>: "No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider." 47 U.S.C. § 230(c)(1).
- <u>DMCA Safe Harbors</u>: Service providers are protected for <u>most</u> liability "for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider," if the service provider does not have actual or constructive knowledge of the infringement (and takes it down when it does obtain such knowledge) and satisfies certain other requirements. 17 U.S.C. § 512(c).
- <u>Protection from Contributory Trademark Liability</u>: Service Provider must not (1) induce infringement, or (2) have knowledge or reason to know of specific infringement and fail to remove it. <u>Tiffany v. EBay</u>, 600 F.3d 93, 108-09 (2d Cir. 2010).



TIPS FOR RESPONDING TO ON-LINE REVIEWS

- Keep it light, courteous, and professional
- Thank the poster for their business/service (make them feel valued)
- Acknowledge the posters concerns (make them feel heard)
- Address concerns honestly and transparently, without divulging company secrets
- Promote company mission and values while avoiding corporate acronyms and jargon
- Invite the poster to take the conversation off-line
- Pin positive review at top (if possible)



DEVELOPING A SOCIAL MEDIA RESPONSE TEAM

- Partner with reputable organizations for search engine applications and review platforms
- Designate a limited group of individuals to respond
- Provide training and guidelines for responders
- Set reasonable goals for prompt responses
- Respond to all positive and negative reviews (if possible), otherwise prioritize:
 - Urgent serious issues; details; high traffic/visibility
 - Less urgent less serious issues, conclusory language; low traffic (visibility)
- Develop a tracking system to spot trends and recurring issues

